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Chairman: Mr. Sial (Vice-Chairman) ..... (Pakistan)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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In the absence of Ms. Wensley (Australia), Mr. Sial (Pakistan) Vice-Chairman, took the Chair.

The meeting was called to order at 3.30 p.m.

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*) (A/52/7/Add.2; A/53/7/Add.15, A/53/641, A/53/643, A/53/794, A/53/833 and A/53/955; A/54/6/Rev.1, A/54/7, A/54/16, A/54/127, A/54/206, A/54/434 and A/54/443; A/C.5/51/57; A/C.5/54/14, A/C.5/54/15, A/C.5/54/16, A/C.5/54/17, A/C.5/54/18, A/C.5/54/19, A/C.5/54/20, A/C.5/54/21, A/C.5/54/22, A/C.5/54/23, A/C.5/54/25, A/C.5/54/26 and A/C.5/54/27

General debate (continued)

1. **Mr. Baali** (Algeria) said that his delegation endorsed the statement made by Guyana on behalf of the Group of 77 and China. Formulation of the budget was a delicate and complex exercise, and its consideration and adoption were of increasing importance in the life of the Organization. In view of the obvious constraints on the implementation of programmes and activities mandated by the General Assembly and the increasingly important role that the Organization was called on to play, it was absolutely essential to seek agreement and consensus above all else, in which connection it was essential for Member States to pay their contributions in complete transparency and to fully respect the budget process in accordance with established norms, regulations and procedures. In that regard the budgetary procedures established under General Assembly resolution 41/213 must be followed and the role of Member States in determining the allocation of resources under each section of the proposed programme budget must be maintained.

2. In view of recent disquieting events, including the incorporation in the proposed programme budget for 2000-2001 of new elements relating to a reform proposal that was still before the General Assembly, it must also be recalled that paragraph 21 of General Assembly resolution 51/221 B, of 18 December 1996, in which the General Assembly had decided that no changes to the budget methodology, to established budgetary procedures and practices or to the financial regulations could be implemented without prior review and approval by the General Assembly, remained valid. His delegation was prepared to carefully consider any proposal for results-based budgeting provided that there was clear justification, and that it took into account the Organization's specific needs and nature. Furthermore, any such new far-reaching measures should only be implemented, after adoption by the General Assembly, in a gradual and deliberate manner over a transition period; that was all the more evident since even those advocating such reform recognized that its content must be defined more clearly.

3. In the current financial difficulties there must be strengthening of control over the Organization's expenditure, provided that there was some guarantee that attainment of that objective would not impede the discharge of the tasks entrusted to the Organization or the quality or full implementation of agreed mandates. In that connection the Secretary-General had recalled that the Organization's budget had not increased, not even in nominal terms, for the past five years, and had warned that the point had been reached at which any further reduction in resources would seriously undermine the capacity of the Organization to provide the services requested by Member States. His delegation shared that concern; under no circumstances must United Nations programmes and activities for economic development, which had already suffered severe cutbacks in recent years, be affected.

4. With regard to the programming of activities and the content of the narratives of the various budget sections, he said that there must be strict observance of the medium-term plan for the period 1998-2001, the principal policy directive of the Organization and the fundamental framework for formulation of the programme budget.

5. His delegation reiterated its support for the main priorities of the United Nations established by the General Assembly in its resolution 53/206. Resources had, however, not been allocated to priority programmes in accordance with the medium-term plan, and the narratives for some sections of the budget should be revised or, perhaps, reformulated to conform to the plan.

6. Furthermore, in common with the European Union, his delegation was deeply concerned by the fact that some essential activities entrusted to the Organization by Member States would be funded, according to the proposed programme budget, from extrabudgetary resources. There was a need for thorough consideration of an issue of such importance to the Organization, since such funding might not

materialize in the final analysis or might be subject to conditions.

7. Regarding the budget sections relating to Africa, the proposed increase in resources over the previous biennium was modest, even derisory, given the situation of a continent containing two thirds of the least developed countries and three quarters of the low-income countries, and where the lowest social indicators in the world were recorded. Despite the shortage of resources, with a little imagination and political will it should be possible to allocate additional funds to finance programmes in Africa. Algeria, which had the honour of chairing the Organization of African Unity and the African Group at United Nations Headquarters, would scrutinize the sections of the budget relating to Africa with particular care.

8. **Mr. Vaidik** (India) said that his delegation associated itself with the statement made by Guyana on behalf of the Group of 77 and China. His delegation fully supported the Secretary-General's efforts to improve the administrative efficiency and properly channel the expenditure of the Organization. Reform and renewal of the United Nations must be the central objective in taking the Organization into the next millennium. He noted the marked improvement in the presentation of the budget, which had made it more transparent and more user-friendly. He also noted the Advisory Committee's observation that there was further room for improvement of the document through the use of more graphs, charts and tables. A more detailed explanation of the status of implementation of the Advisory Committee's recommendations should be given.

9. His delegation agreed with most of the Advisory Committee's recommendations and observations. However, he noted that the amount of US$ 2,535.6 million proposed by the Secretary-General for the programme budget for the biennium 2000-2001 exceeded only marginally the expenditure incurred in the biennium 1998-1999, and was not enough to allow the United Nations to fulfil its development and security activities without encountering severe financial constraints. Cost reduction and reform of the system could not be ends in themselves, but must serve to strengthen and increase the efficiency of the Organization.

10. He noted that the Advisory Committee had pointed out new contradictions in the budget proposals in a few fascicles, and looked forward to clarification by the Secretariat and to the section-by-section consideration of the budget proposals.

11. With regard to vacancies, it was of the utmost importance to select and recruit expeditiously staff who met the highest standards of efficiency, competence, and integrity. A reduction in the number of vacancies by the Secretariat would obviate the need for ad hoc measures that appeared to contravene administrative practices.

12. His delegation emphasized that the programmatic aspects of the proposals should adhere strictly to the mandate given by Member States in the medium-term plan and that more funds should be allocated for development while administrative and personnel costs should be reduced wherever feasible. Proposals for reductions or increases in resources should be considered taking into account the justifications provided by the Secretariat. Furthermore, the budget proposals should not be the subject of ad hoc decisions, as had occurred in the past, and the suggestions made by the Advisory Committee in that regard should be accepted. In some cases the merits of the case would need to be debated. That was particularly true of increases or decreases, redeployment and reclassification of posts. Reduction in resources should not result in the dismissal of staff.

13. His delegation welcomed efforts to introduce new technologies that would improve administrative efficiency and financial discipline and reduce administrative and staff costs, such as video-conferencing facilities, modern communications systems and the Integrated Management Information System. Cross-borrowing from peacekeeping budgets to finance other activities should be avoided. Peacekeeping operations must be financed quickly and in full so that they could be conducted in a coordinated and sustained manner.

14. Given the grim financial situation of the Organization, all Member States, especially the most privileged, must pay their contributions, including their arrears, promptly, fully and unconditionally. The Organization needed an adequate budget so that the mandates entrusted to it by Member States could be fully discharged.

15. **Mr. Fowler** (Canada), also speaking on behalf of Australia and New Zealand, said that the Committee, in its consideration of the budget proposals, should focus

on ensuring that priority areas were financed appropriately, and should not waste time debating the classification of specific posts in the Secretariat or formulating a 20-page draft resolution giving complex and contradictory guidance. In other words, the role of the Fifth Committee and that of the Secretary-General and his managers must not be misjudged. All delegations should raise their concerns early so that agreements could be reached that took account constructively and effectively of the concerns of all parties.

16. Referring to General Assembly resolution 41/213, of 19 December 1986, he stressed the importance to the effectiveness and credibility of the Organization of the Committee's continuing to adopt the budget by consensus and never by vote, although consensus must not give any Member State a veto, irrespective of how large or powerful or strident it was. The broadest possible agreement sent a clear and positive signal of support for the Secretary-General and the United Nations.

17. On balance he welcomed the budget proposals submitted by the Secretary-General and the proposed increase in resources for the eight priority areas identified in resolution 53/206, although it was disquieting that the level of resources for human rights fell short of the resources approved for the biennium 1996-1997. In contrast it was pleasing that $86.2 million was proposed for special political missions; the functions of those missions were of a perennial nature and a specific line item in the budget was therefore justified and necessary.

18. The three delegations were pleased that the Secretary-General was continuing to pursue reform, including the streamlining of administration, the improvement of human resources management and the fostering of a results-oriented culture, to be achieved primarily through the implementation of results-based budgeting. He regretted that progress on that matter had been slow in the Committee; there appeared to be reluctance by some Member States to recognize that results-based budgeting was a tool which could only strengthen the Organization.

19. In keeping with the objective of a strong United Nations focused on results, the budget as a whole should be reviewed, with more focus on the priority areas and less on incremental changes. Such an approach could end various anomalies such as the fact that almost all the priority areas, including the International Court of Justice, disarmament and the New Agenda for the Development of Africa, had smaller budgets than the total budget for the United Nations libraries in Geneva and New York. Another example of the apparent disconnect between the priorities of the General Assembly and those reflected in the budget proposals was that the same level of resources had been set aside for statistics programmes as for the entire human rights programme. It was impossible to conclude whether those expenditure levels were reasonable without knowing to what extent the programmes supported the broader objectives of the Organization.

20. In the proposed programme budget outline (A/53/220), the Secretary-General had stated that compensating economies of $20 million were to be identified. It was disappointing that those economy measures were not specifically addressed in the budget proposals. More economies could be found in the budget, particularly in the light of the large investments made in information technology. The example set by the Economic Commission for Africa (ECA) was exemplary: the Advisory Committee noted a saving in its report (A/54/7) of over $1.1 million as a result of the decommissioning of the old computer system.

21. The Advisory Committee had observed a pervasive lack of coordination within the Secretariat and had cited as an example the information technology area, for which $90 million was being requested. In order to reduce overlap and duplication, information technology policies and priorities should be centrally established.

22. He agreed with the Advisory Committee that outputs must be more specific and more clearly defined. Expected accomplishments, which were included in some sections of the budget only, were put forward as improvements in "processes" or "dialogues", but not in terms that could be measured or evaluated. For example, an expected accomplishment for the secretariat of the Economic and Social Council was "facilitation of progress in the achievement of coherence and complementarity between the normative and policy-oriented work in the area of development" (A/54/6/Rev.1, para. 9.58). It was impossible to understand such language and therefore impossible to measure the outcome it claimed to describe. The budget, therefore, needed to be more results-oriented. It should focus on how activities would achieve the goals

established by Member States. That would focus the attention of the Secretariat and of the General Assembly not on the process but on achieving the goals of the Organization.

23. The three CANZ delegations were convinced that the United Nations should continue to reform so as to become more efficient, effective and productive. The budget and programme of work, the main instruments for furthering the Organization's objectives, should be dynamic and evolving tools. Member States must ensure that resources and activities were targeted to address key issues, in other words, the Organization must focus on achieving concrete results. No activity in the United Nations should be exempt from critical scrutiny. If there were resources that were no longer advancing a key objective under the medium-term plan they should be redeployed to agreed priority areas. If the Committee committed itself to such rigorous scrutiny, the current budget level would be sufficient.

24. The three CANZ delegations looked forward to discussion of the treatment of anticipated additional expenditures relating to currency and inflation movements, and of mandatory staff remuneration increases. Automatic cost escalations were an element of the past in national administrations.

25. The objective was to reach consensus on the proposed budget. The challenge was to negotiate efficiently, effectively and transparently. The budget should be implemented in a similar fashion.

26. **Mr. Rodriguez Parrilla** (Cuba) said that his delegation supported the statement by Guyana on behalf of the Group of 77 and China. The budget negotiations showed the real level of commitment of Member States to the Organization. The United Nations could not resolve global problems if it was denied the necessary resources.

27. While many held the view that reform was a prerequisite for increasing the efficiency of the Organization, efficiency should translate into implementation of mandated programmes and activities and the provision of the services called for by Member States. Among the factors which had stopped the Organization from efficiently implementing decisions by Member States was the serious payments crisis, which had lasted for more than a decade, and arbitrary budget cuts pursuant to General Assembly resolution 50/214. His delegation agreed with the Secretary-General that the Organization could not tolerate further cuts.

28. Since Member States were responsible for the reduction in the capacity of the United Nations to attain the objectives and apply the principles set forth in the Charter, it was for them to adopt the necessary corrective measures, first and foremost of which should be adoption of a budget reflecting the Organization's real needs and not a preconceived policy of cutbacks that would also have the effect of undermining the morale of the staff — the Organization's principal resource.

29. It was unacceptable for the proposed programme budget to be below the level of the outline approved by the General Assembly in its resolution 53/206 given the delicate political balance reflected in that resolution. It would be better to maintain a level of US$ 2,545 million before recosting to restore confidence among Member States and between the latter and the Secretariat.

30. The resource growth of $125.5 million over the revised 1998-1999 appropriation was largely a result of recosting. The imposition of zero nominal growth would aggravate the Organization's inability to implement mandated programmes and activities and would constitute a significant departure from General Assembly resolution 41/213; that would require a complete review of the resolution, including the decision-making process.

31. An effort should be made to avoid the much-used phrase "within available resources", since it not only contravened the letter and spirit of resolution 41/213 but represented a budget constraint within the context of the zero growth policy and was used by some countries to try to reduce the level of the contingency fund. Use of the phrase in resolutions had a negative impact on the implementation of activities, as noted by the Advisory Committee in paragraph 67 of its report (A/54/7).

32. The inclusion of $86.2 million for special political missions would help to facilitate the establishment and continuation of such missions and avoid a further reduction in the Organization's capacity to discharge its mandates, in contrast to the well-known policy of seeking to absorb such expenditure within the overall level of resources for the biennium. There should be a provision for special political missions in the budget and, should new needs arise, appropriate

resources should be appropriated in accordance with General Assembly resolutions 41/213 and 53/206, paragraph 10.

33. All the Organization's activities, including new activities in the area of peace and security, must be financed in accordance with Article 17 of the Charter: financing activities from voluntary contributions contravened the provisions of Article 17 and did not ensure a sound and reliable financial basis. Further, Member States must discharge their financial obligations in full, on time and without conditions.

34. Section 22 of the proposed programme budget included resources that apparently constituted a "mini-contingency fund" but that were earmarked for expenditures on activities that the Secretariat considered perennial. Under current budgetary procedure new activities under that section should be funded in accordance with the provisions on the use of the contingency fund, contained in General Assembly resolutions 41/213 and 42/211. The draft resolution to be adopted by the Fifth Committee on the item should set the matter straight.

35. He noted that there was no correlation between the resource growth requested under some budget sections and the priorities established by the General Assembly in its resolution 51/219; he requested an explanation.

36. With respect to the statement in paragraph 15 of the introduction to the proposed programme budget that new posts were "proposed only on a highly selective basis", as if it represented an attempt to justify an improper action, his delegation agreed with those speakers who had reiterated that the Organization must equip itself with the human resources needed to carry out its mandates efficiently; he recalled that there was no legislative decision stipulating a reduction in or maintenance of the current staffing level. The most significant staffing change proposed was the redistribution of 591 posts among the various programmes and subprogrammes. When the Committee took up the various budget sections the Secretariat should provide more information on the operational benefits of such a change and its impact on the career development of the staff, and on the impact of the redistribution on programmes. He also asked the Secretariat to indicate the number of staff against posts funded from extrabudgetary resources and from the budgets of peacekeeping operations.

37. Regarding the recently approved modalities for use of the Development Account, he looked forward to the proposals for projects to be funded by resources under that section.

38. In conclusion, the willingness to negotiate and the political commitment of Member States to approve a level of resources commensurate with the Organization's needs would determine whether or not the United Nations met the expectations of the peoples it represented.

39. **Mr. Díaz Paniagua** (Costa Rica) said that his delegation supported the statement by Guyana on behalf of the Group of 77 and China. The proposed programme budget was of great importance because it allocated the resources needed by the Organization to discharge fully and completely the mandates and tasks entrusted to it by Member States. In that connection he was concerned that the level of the budget proposed by the Secretary-General was below the outline approved by the Assembly; he was concerned that the minimal increases proposed under some sections would be inadequate.

40. His delegation was also concerned by the increasingly common practice of using extrabudgetary resources to implement the Organization's programmes. Member States had an obligation to agree on a budget that would provide the United Nations with the resources needed to implement its mandates effectively, and to make contributions to that budget, as stated in resolution 41/213. The proposals to establish a ceiling or to impose zero growth thus contravened the decisions of the General Assembly. Furthermore, United Nations programmes, mandates and activities should be implemented by the staff of the Organization and the General Assembly decision to eliminate the use of gratis personnel should be respected.

41. The reform measures proposed by the Secretary-General to increase efficiency and make better use of the Organization's resources merited support provided that they had no negative impact on the implementation of mandates. Member States must carefully consider the proposals relating to the establishment of sunset provisions for new mandates and results-based budgeting, which could not be implemented without specific decisions by the General Assembly.

42. It was the duty of Member States to provide the Organization with the human and financial resources needed to enable it to embark on the next century with

sound finances that would allow for renewal while taking the demands of good management into account.

43. **Mr. Darwish** (Egypt) said that his delegation supported the statement by the representative of Guyana on behalf of the Group of 77 and China. He regretted that the level of resources requested in the proposed programme budget for the biennium 2000-2001 was below that stated in General Assembly resolution 53/206. The budget proposals must reflect the real needs of the Organization in order to implement mandated programmes and activities in full.

44. With regard to the Organization's financial situation, his delegation called on Member States with contributions in arrears to pay them immediately and without conditions, so that the Organization could, in turn, pay the amounts it owed to States contributing troops and equipment to peacekeeping operations, including Egypt.

45. His delegation again reaffirmed the need to present the programme budget in accordance with the provisions of General Assembly resolution 41/213 and the Financial Regulations of the United Nations; the budget should reflect the priorities in the medium-term plan for the period 1998-2001, especially regarding development activities.

46. His delegation was concerned at the continued increase in the average vacancy rate, especially at the regional commissions, and reiterated the necessity for that not to be used to cut the Organization's budget; everything possible should be done to reduce the rate. His delegation agreed that the use of general temporary assistance should be avoided, other than in specific circumstances, and that consultants should be used only in those instances where the Organization lacked staff with the requisite specialized and technical skills. In that regard the provisions of General Assembly resolution 53/221 must be observed.

47. Furthermore, his delegation shared the Advisory Committee's concern at the fact that recruitment took so long, which undermined the plan for the reform of the Organization; a radical solution to that frustrating administrative reality must be found.

48. His delegation agreed with the Advisory Committee regarding the possibility of offsetting a reduction in the number of staff through compensating gains in capacity, provided that reductions were not on a large scale, since that would cause a reduction in the level of services or delays in the implementation of mandated programmes. It should be borne in mind that in 1995 the General Assembly had decided that implementation of mandated programmes must not be affected. The Secretariat should provide a detailed explanation of how capacity would be increased and any negative impact on programmes avoided.

49. With regard to part VII (Public information), his delegation was of the view that there was an immediate need to set up an international radio broadcasting system, which should receive proper consideration and the necessary funding, bearing in mind that the amount proposed for the project did not include expenditures on broadcasting. He asked the Secretariat to provide a detailed response to his questions and a prompt reply regarding expenses relating to radio broadcasting.

50. His delegation concurred in the Advisory Committee's request that the criteria for determining the level of heads of information centres should be reviewed; the Secretariat should treat that issue with greater transparency.

51. Regarding the integration of information centres with the United Nations Development Programme, his delegation reiterated the need for strict observance of the relevant resolutions of the General Assembly and the views of Member States and the need for the exercise to be cost-effective. Decisions should be taken after consultation with the host countries concerned, and each case should be considered separately, ensuring that the independence of the information centre was safeguarded.

52. **Mr. Hachani** (Tunisia) said that his delegation supported the statement made by Guyana on behalf of the Group of 77 and China. For five years the United Nations budget had shown no increase, even in nominal terms, and over that period the Organization had reduced its expenditure to compensate for inflation amounting to $350 million in total. At the same time Member States had given the Organization broader tasks and obligations, with a consequent increase in human, financial and material resource needs. In that context the difficult financial situation which the Organization had been going through for some years seriously affected its capacity to discharge the role assigned to it by the Charter and the functions entrusted to it by Member States, for which it was a guarantee of security and prosperity.

53. Under conditions of extreme budgetary austerity, the Secretariat had striven with some difficulty to maintain the Organization's capacity to discharge its functions, which at times had exposed it to severe criticism. Tunisia commended the Secretariat on the determination with which it had sought to ensure the smooth functioning and strengthening of the Organization and its creativity in doing more with less. But those efforts would not suffice unless, reflecting the value and importance that the international community attached to the Organization, all Member States lived up to their political commitment to provide the United Nations with a firm financial basis to discharge its unique function.

54. Member States must keep in mind in their debate on the item that, in the view of both the Secretariat and the Advisory Committee, the Organization had reached a point at which any further reduction in the level of resources would severely compromise its capacity to provide the services sought by Member States and would result in the termination or deferral of some programmes. His delegation could countenance the termination of programmes only in the context of established procedures, namely following review by the competent legislative bodies and a formal decision. Termination of programmes and activities as a result of a lack of resources would seriously undermine the prestige of the Organization, which faced new international and regional challenges every day.

55. He noted that the estimates of expenditure amounted to $2,535 million before recosting, representing resource growth of 0.2 per cent over the current biennium. That amount was below the level of $2,545 million in the budget outline approved by the General Assembly in its resolution 53/206. Since that resolution had reflected a delicate balance reached by Member States after arduous and lengthy negotiations, and despite the fact that the Secretary-General stated that he could fully implement mandated programmes and activities and the fact that the Advisory Committee found no justification for changing the overall level of resources, his delegation thought it prudent, in view of the deferral, suspension or freezing of various programmes and activities owing to a lack of resources, to restore the amount of $2,545 million as a reasonable basis for negotiation of the final level of the programme budget for the biennium 2000-2001.

56. Furthermore, his delegation was concerned by the imprudent and risky practice of funding priority areas under the medium-term plan with extrabudgetary resources. However generous voluntary contributions, the principles of the collective responsibility of Member States for financing the Organization's activities and of predictable funding must be fully respected.

57. Tunisia supported administrative and budgetary reform provided that the sole objective was to increase the efficiency of the Organization and not compensate for a lack of resources. In fact one of the determinants of the success of the reform undertaken by the Secretary-General was adequate funding of programmes and activities. Decisions on reform must reflect the outcome of careful analysis resulting in the formulation by consensus of a coherent and viable long-term programme that strengthened the Organization's capacities in specific ways and fully respected its political nature.

58. As for the distribution of resources among the budget sections, his delegation did not support the proposed reductions for common support services. In fact it had been looking forward to an increase in those resources if only to reverse the continuing deterioration of the Headquarters complex. Neither could his delegation support the proposed reductions for the Department of General Assembly Affairs and Conference Services in view of the increasing number of meetings it must service.

59. His delegation welcomed the fact that 25 per cent of the proposed budget would be allocated to development activities. In that regard he trusted that the outcome of the Committee's deliberations would reflect the priority assigned to Africa under the medium-term plan and would provide sufficient resources for the New Agenda for the Development of Africa, the Economic Commission for Africa and the United Nations Office at Nairobi.

60. Lastly, he appealed to all delegations to keep in mind during consideration of the item the need to reach an agreement that was viable for all on the basis of resolution 41/213, taking into account the fact that the Organization must confront increasingly complex situations with increasingly limited resources.

61. **Mr. Lee See-young** (Republic of Korea) said that the proposed programme budget for 2000-2001 was of special significance as it reflected the concrete results of the reform efforts undertaken by the Secretary-General. His delegation, which had consistently

stressed that the Organization's budget should ensure the full, efficient and effective implementation of the objectives and mandates set by Member States, noted that the proposed budget, at $2,535 million, represented growth of 0.2 per cent before recosting over the current biennium, and that the 61 new posts proposed would result in a staffing level of 8,802. His delegation believed that the Secretary-General had made every effort to attain maximum cost-effectiveness through administrative efficiency and rational restructuring. Nevertheless, in view of the constraints to which the budget had been subjected since 1994, he was concerned about the possible negative impact of budgetary stringency on mandated programmes. Efficiency measures should not be an exercise in budget reduction, but should strengthen the functioning of the Organization through more efficient programme delivery.

62. His delegation noted with satisfaction that the proposed programme budget was consistent with the medium-term plan and the priorities set out in the budget outline approved by the General Assembly in 1998. It welcomed the allocation of more resources to such priority areas as development in Africa, humanitarian assistance, human rights, drug control, staff training and internal oversight.

63. His delegation welcomed the inclusion in the budget proposals of a provision of $86 million for special political missions; that represented a significant improvement over the past practice of appropriating additional resources midway through the biennium and should allow timely and adequate financing of activities in one of the top priority areas of the United Nations.

64. His delegation supported the Secretary-General's administrative and budgetary reforms and particularly welcomed the proposal to introduce results-based budgeting. Input-based budgeting had largely been a quantitative exercise ineffective in evaluating quality of performance. He hoped that with better identification of objectives and expected outcomes, results-based budgeting would be instrumental in enhancing optimal allocation of resources among priority areas. In that regard his delegation noted with keen interest the presentation of "expected accomplishments" in many budget sections in accordance with the revised Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. Though the presentation needed further refinement, inclusion of that concept represented a significant step forward in strengthening the effectiveness and relevance of United Nations programmes.

65. His delegation was concerned at the continued reliance on extrabudgetary resources to fund many priority activities. The implementation of such activities was a collective responsibility shared by Member States and should be financed by predictable and reliable resources under the regular budget. He was also concerned at the continued high vacancy rates, which seriously hampered the delivery of mandated programmes. Vacancy rates should not be used as a means of realizing budgetary savings or of reducing the level of the budget.

66. In conclusion his delegation reiterated its support for the budget process set out in resolution 41/213 and its annex. He hoped that the spirit of consensus embodied in that resolution would prevail in the deliberations on the budget proposals.

67. **Mr. Christian** (Ghana) said that his delegation associated itself with the statement made by Guyana on behalf of the Group of 77 and China. He noted the difference between the level of resources in the proposed programme budget for 2000-2001 of $2,535 million ($5.7 million more than in the current biennium) and the budget outline figure of $2,545 million approved by the Assembly after protracted negotiations in its resolution 53/206. Most Member States had seen that figure as a reasonable level of resources and as a basis for further negotiations. Any reduction too far below the approved level would seriously affect the ability of the Secretary-General to meet the expectations of the General Assembly. The Secretary-General had rightly said that further cuts would seriously compromise the mandates given him by Member States.

68. Any linkage between a reduction in the budget and the full payment of outstanding contributions would be unfortunate. The financial crisis facing the United Nations was due to the unwillingness of certain Member States to discharge their legitimate financial responsibilities; it had nothing to do with overprogramming or lack of reform. The Secretary-General and his able staff had responded commendably to the concerns of Member States in that regard. Ghana

called on all those in arrears to make good on their lawful responsibilities.

69. His delegation noted the Advisory Committee's observation that vacancy rates for the Professional and General Service categories were 8.9 per cent and 2.1 per cent respectively, and agreed with the Advisory Committee that high vacancy rates hampered the delivery of mandated programmes. In a situation of zero nominal growth that trend would accelerate and worsen since, without resources, programme managers could not be expected to fill vacant posts. The Secretariat should, as a matter of priority, provide information on measures being taken to address the concerns expressed about the increasingly high level of vacancies in the Secretariat.

70. His delegation was pleased to note that the Secretary-General proposed to allocate $1.4 million, a 10.1 per cent increase over the current biennium, for staff training as part of the ambitious human resources management reform programme being undertaken. His delegation also welcomed the emphasis placed on gender mainstreaming in the proposed programme budget, in accordance with resolution 52/100. While there were specific programmes and subprogrammes for the advancement of women, the Secretary-General had recognized that the mainstreaming of a gender perspective should go beyond specific programmes. His delegation commended the Secretary-General on his efforts to express that concept in all activities and programmes for the biennium 2000-2001, in particular in a number of departments, regional commissions and the United Nations International Drug Control Programme. In that regard he urged the Secretary-General to continue his efforts to ensure that the concerns and needs of the beneficiaries of the Organization's work were adequately addressed.

71. **Mr. Herrera** (Mexico) said that although his delegation had supported the reform programme begun by the Organization in 1997, reduction of expenditure without regard to its impact could not be an end in itself and that the United Nations must have the financial resources it needed to fully discharge the mandates entrusted to it by Member States. The level of regular budget resources should correspond exactly to the aggregate of all the programmes and activities approved by the General Assembly. The Organization's substantive activities must be funded from the regular budget; attempts to find alternative funding could only endanger the future work of the United Nations.

72. His delegation noted the 0.2 per cent real growth in the proposed programme budget for the biennium 2000-2001 over the current biennium, and the increase of 61 posts in the staffing table. He welcomed the inclusion, in accordance with General Assembly resolution 53/206, of a provision for special political missions.

73. In future the paragraphs in each section dealing with expected accomplishments should be either more specific or, if they added nothing substantive, should not appear.

74. Although the overall vacancy rate had been 4.9 per cent in April 1999, his delegation noted with concern the excessively high vacancy rates under various substantive sections, ranging from political affairs (7.2 per cent) to human rights (16.3 per cent). In paragraph 129 of its report (A/54/7) the Advisory Committee noted that there existed a nearly 9 per cent vacancy factor, which represented almost double that for April. His delegation was of the view that the Organization could act more effectively if the vacancy rate established by the General Assembly in its resolution 53/214 were not exceeded under any section of the budget. For that reason the Organization's system of recruitment needed improvement.

75. As had been the case in previous bienniums, consideration of the proposed programme budget for the biennium 2000-2001 would be no easy task. The Committee must itself on the provisions of resolution 41/213 and the medium-term plan. His delegation appealed to all Member States to use the opportunity that arose every two years to reinvigorate the Organization, which faced increasingly difficult administrative challenges.

76. **Mr. Abdalla** (Sudan) said that his delegation supported the statement made by the representative of Guyana on behalf of the Group of 77 and China. A brief perusal of the proposed budget suggested that zero growth would mean an actual decrease in view of the increase in the number of posts, current staff costs and new programmes mandated for the biennium 2000-2001, which could not fail to affect performance.

77. Lengthy recruitment procedures had a negative effect on the implementation of programmes in accordance with established time-frames. Restricting recruitment against entry-level posts as a means of budget reduction prevented the United Nations from

utilizing young staff members capable of development and creativity, and that affected efficient performance.

78. His delegation welcomed the policy of administrative reform and drew attention to the importance of narrowing the technological gap between the Organization and those Member States that were developing countries. Recruitment of nationals of those States should be increased in order to facilitate rationalization and coordination.

79. The relationship between resources allocated in the budget for posts under economic and social development programmes in Africa and resources allocated for programme costs was out of proportion to the volume of field activities. Moreover, environmental programmes were underfunded and should be financed from the regular budget. Additional resources should also be provided for development in Africa. His delegation warned of the danger of financing environmental and asylum activities from extrabudgetary resources. Support should be given without discrimination on the basis of pre-existing political situations to States facing economic difficulties in order to enable them to meet development requirements and challenges.

80. His delegation drew attention to the confusion of priorities represented in a focus on ceremonial activities at the expense of field programmes. It would participate actively after an in-depth study of the proposed programme budget, in consideration of the various sections in informal consultations.

81. **Mr. Ahounou** (Côte d'Ivoire) said that his delegation supported the statement made by Guyana on behalf of the Group of 77 and China. He commended the Secretary-General on having taken account in the preparation of the proposed programme budget for the biennium 2000-2001 of the wish of Member States to give the Organization the momentum it required to face up to new challenges. One positive aspect of the budget proposals was that the level of resources proposed ($2,535 million) reflected real growth for the first time after several consecutive years of zero growth. The increase (0.2 per cent) was in practical terms insignificant, but had symbolic value, since any static social structure was foredoomed to disappear as a result of its inability to adapt. Some delegations, including that of the major contributor to the Organization, supported a zero growth budget. The question arose of whether that was only to avoid the resultant increase in their contributions.

82. His delegation welcomed the inclusion in the budget proposals of a provision of $1.4 million for staff training, representing a 10 per cent increase over the current biennium. The Secretary-General had thus demonstrated the priority nature of human resources for the smooth functioning of the Organization.

83. Regrettably, in addition to those positive elements, the proposed programme budget had disquieting aspects. They included the high vacancy rate; the large amounts for consultancy services, which gave the false impression that the Secretariat lacked qualified professionals; the growing use of temporary personnel, an unfair policy since it was not possible to make use of a person's services over prolonged periods without offering more favourable conditions of employment; and the distribution of resources between the parts and sections of the budget.

84. Regarding the latter point, due consideration of the distribution of resources across the budget would be possible only if the contents of the medium-term plan were prioritized. In any event a perusal of the budget revealed that part VI (Human rights and humanitarian affairs), for example, showed an increase of 2.6 per cent over the current biennium, and that under that part, section 22 (Human rights) alone showed an increase of 3.8 per cent. That was so despite the criticisms put forward in previous years. On the other hand part IV (International cooperation for development) and part V (Regional cooperation for development) had not been so fortunate. Yet socio-economic development was one of the principal objectives of Member States and it was obvious that the United Nations could not establish peace in the world unless it incorporated a socio-economic dimension in its work. The Organization's budget should thus reflect that reality more closely.

85. **Mr. Daka** (Zambia) said that his delegation associated itself with the statement made by Guyana on behalf of the Group of 77 and China. He urged all Member States to honour their obligation under the United Nations Charter to pay their assessed contributions in full, on time and without conditions, as the non-payment of assessed contributions by certain Member States undermined the capacity of the Organization to implement decisions of the General Assembly.

86. While his delegation welcomed the Secretary-General's reform initiatives, expert bodies such as CPC and ACABQ, as well as the Fifth Committee should thoroughly examine the implications of such concepts as zero nominal growth, results-based budgeting and sunset provisions, and submit their conclusions to the General Assembly for its consideration.

87. A further question of interest to his delegation was the financing of mandated programmes and activities. Member States must understand that once programmes and activities had been approved it was their collective responsibility to provide the resources to implement them. There should be no reliance on extrabudgetary resources to finance mandated programmes, which should be included under the regular budget.

88. Regarding the distribution of resources between the various budget sections, his delegation was pleased to note that $1.4 million had been proposed for staff training in line with the human resources management reform agenda, since staff training was essential to the effective implementation of the programmes and activities of the Organization.

89. His delegation attached great importance to the Development Account (section 33) and welcomed the allocation of $13 million to it. In that connection his delegation welcomed the adoption by the Committee, in draft resolution A/C.5/54/L.11, of modalities for operating the Development Account, and hoped that the Secretariat would submit proposals as soon as possible for consideration by the General Assembly.

90. His delegation shared the concern expressed by the Advisory Committee in paragraph 130 of its report (A/54/7) that there were several areas where additional resources could be required under certain sections of the proposed programme budget. It therefore urged the General Assembly to ensure adequate funding for section 10 (Africa: New Agenda for Development), section 12 (Environment) and section 13 (Human settlements) as well as other sections intended to promote development in Africa, including poverty alleviation. He hoped that the draft resolution on the proposed programme budget would take into account the special needs of developing countries.

91. In conclusion he recalled that the presentation of the programme budget and its adoption should be a means and not an end in itself.

92. **Mr. Kelapile** (Botswana) said that his delegation associated itself with the statement by Guyana on behalf of the Group of 77 and China. It deplored the Organization's ongoing financial crisis, since without adequate financial and human resources the United Nations could not attain its objectives. The seriousness of the commitment of Member States to those objectives would be apparent at the end of the main part of the current session, when the level of resources for the upcoming biennium was approved.

93. His delegation had full confidence in the ability of the Secretary-General and his staff to implement reform of the Organization but, in the light of experience in recent years, had doubts as to whether the level of resources proposed would be sufficient for implementation of the objectives and mandates of the Organization. The budget outline was an indicative planning figure and did not necessarily represent a ceiling or floor for the level of the proposed programme budget. Yet it clearly reflected the intentions of Member States and was a product of the consensus encouraged by General Assembly resolution 41/213. The level of resources proposed should have preserved the delicate balance attained in the outline, adopted at the fifty-third session.

94. Botswana shared the concerns expressed by other delegations regarding the disproportionate increases accorded some priority areas under the medium-term plan; the unjustifiably high vacancy rate; the state of the United Nations facilities at Headquarters and other United Nations offices; and the use of general temporary assistance staff to perform functions of a continuing nature, a policy that was in contravention of the procedures laid down by the General Assembly. Temporary assistance should be used only to replace regular staff on leave or to handle peak workloads.

95. All those problems, coupled with the persistent use of extrabudgetary resources to finance mandated programmes and activities, were clear indications that further budget cuts were not warranted. The expenses of the United Nations were the expenses of its collective membership and were to be borne by Member States in accordance with Article 17 of the Charter. Unless the General Assembly decided otherwise, any arbitrary alteration of what resources should be allocated for the activities of the Organization was in contravention of the provisions of the Charter and current budgetary procedures. While budget discipline, improved productivity, efficiency

and effectiveness were necessary, such measures should not be taken at the expense of the implementation of mandated programmes and activities. He trusted that the proposed programme budget would be adopted with the broadest possible agreement, in the spirit of General Assembly resolution 41/213.

96. **Mr. Oratmangun** (Indonesia) said that his delegation associated itself with the statement made by the Permanent Representative of Guyana on behalf of the Group of 77 and China and with the statement made by the Philippines on behalf of the Association of South-East Asian Nations. His delegation was concerned that the proposed level of resources for the biennium 2000-2001 was lower than the budget outline agreed by the General Assembly; further reductions in the already limited programme budget of the United Nations would adversely affect the Organization's capacity to implement mandated programmes and activities.

97. His delegation was very supportive of efforts to reform and modernize the Organization, particularly in the areas of budget and administration, in response to the ever-changing environment of international relations. However reform should not be a budget reduction exercise but a means of enhancing the responsiveness and programme delivery of the Organization. In that context the budget process approved by the General Assembly in its resolution 41/213 and reaffirmed in subsequent resolutions remained valid. Any reform initiatives related to the budget process, such as the proposal for results-based budgeting, should be examined thoroughly by Member States and the relevant bodies of the United Nations, specifically the Committee for Programme and Coordination, the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee, before the General Assembly took action on them.

98. Regarding the Development Account, his delegation welcomed the adoption by consensus of the draft resolution on the modalities for the operation and sustainability of the Account. His delegation agreed with the Chairman of the Advisory Committee that the Secretariat should submit without delay the projects to be funded from the $13.1 million requested by the General Assembly under section 33 for the Account.

99. With respect to economic and social affairs, his delegation fully supported the programme of work under section 9, which was focused on providing integrated support for the coordinating and policy-making functions of the Economic and Social Council and its subsidiary bodies, and on facilitating and promoting improved coordination and cooperation among the organizations of the United Nations system in the economic and social areas. He agreed with the Advisory Committee that the vacancy rate under the section was too high and urged the Department of Economic and Social Affairs to step up its recruitment so as to ensure the orderly implementation of mandates.

100. With regard to the Economic and Social Commission for Asia and the Pacific, his delegation welcomed the streamlining of programmes and structures at the regional commission and hoped that it would maintain its constructive role in ensuring that all countries in the region and all segments of the population shared equitably in the fruits of economic and social development. It was also important for the capacities of the developing countries to be enhanced to enable them to access the opportunities and to anticipate and respond in time to the risks that accompanied the process of globalization and liberalization.

101. On the issue of the United Nations contribution to the funding of non-governmental organization liaison services, he noted the substantive contribution of non-governmental organizations (NGOs) in channelling development programmes to local communities. His delegation agreed with the Advisory Committee that the time had come to appraise the impact on the programme budget of the significant increase in NGO involvement in the work of the Organization. The administrative and cost implications would become more critical in view of the financial constraints facing the Organization; he hoped that the Secretariat would address that issue.

102. The Organization could not be asked to improve its performance without providing it with sufficient resources to carry out its work; Member States should honour their obligations under the Charter in full, on time and without conditions. With that in mind, and despite the severe economic and financial conditions in which it found itself, his Government had always done its utmost to fulfil its obligations, and had recently paid $1.55 million to the regular budget.

103. **Mr. Gatilov** (Russian Federation) said that his delegation welcomed the timely submission of the proposed programme budget and the improvement in its format, which had allowed both the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions to present balanced recommendations on the item. The proposed budget was very realistic in the context of the reform initiatives, whose objectives included the strengthening of management, the establishment of strict budgetary discipline and a zero nominal growth budget. In that regard he noted the comments by the Secretary-General that efficiency gains would generate savings in the areas of administration and common support services, among others.

104. Regarding vacancy rates, it was useful and important to establish a uniform rate for budget purposes corresponding to the real situation in terms of the movement of staff.

105. The Russian Federation noted the amount of $93.3 million for inflation and exchange rate fluctuations for the biennium 2000-2001, but cautioned that recalculation on the basis of current trends could have a significant impact on the level of the proposed programme budget; he looked forward to information on that matter from the Secretariat.

106. He noted with satisfaction that the proposed budget included a provision for special political missions whose mandates might be renewed, which would undoubtedly help to reduce tensions and improve reliability and transparency in terms of the prompt allocation of resources for such missions.

107. Regarding expenditure on staff training, and in accordance with the views expressed by the Secretary-General and the provisions of the Charter of the United Nations, he said that it was unacceptable to spend the Organization's resources on general education programmes and the retraining of staff; the United Nations was not an educational institution but a universal political organization whose important functions required immediate action and solutions. For that reason it was essential to ensure that the resources allocated for training programmes were used properly and exclusively in the interests of the Organization.

108. The personnel structure of the Organization continued to be top-heavy, which was inconsistent with the balance the reform sought to achieve.

109. As for the system of results-based budgeting proposed by the Secretary-General, his delegation was willing to consider those proposals constructively; they were, in its view, fully consistent with the natural development of the budget process. The introduction of new elements in budgeting must be aimed at increasing productivity, facilitating the implementation of mandates agreed on by Member States and improving control over expenditure. Those were matters of concern to all Member States.

110. The Russian Federation shared the interest in further reform of the Organization's budget process, the principal objective of which in terms of management and funding of the Organization should be the rationalization of the structure of the Secretariat and the concentration of resources in those areas of activity in which the United Nations had a comparative advantage and could make a significant contribution to resolving the international community's problems. Those areas included peace-building, economic and social development, the coordination of humanitarian assistance and efforts to combat organized crime.

111. It would only be possible to bring about genuine reform if personnel policy were thoroughly reviewed in the light of current needs. Member States needed a compact, efficient and productive Secretariat that could respond quickly to demands as they arose. To that end it was essential to reduce the number of permanent contracts and increase the use of fixed-term contracts so as to facilitate rotation and the flexible management of resources in accordance with the Organization's real needs.

112. **Mr. Tesfaye** (Ethiopia) said that his delegation endorsed the statement made by the representative of Guyana on behalf of the Group of 77 and China. The proposed programme budget covered the core activities of the United Nations and was expected to reflect the priorities identified by the General Assembly for the biennium 2000-2001. Accordingly, it should be consistent with the medium-term plan for the period 1998-2001. However, the Committee for Programme and Coordination had indicated its concern in its report (A/54/16) that not all sections of the proposed programme budget had been prepared on the basis of the mandates approved by the General Assembly and that the general level of resources proposed was lower than indicated in the budget outline, reflecting a trend towards an increasing use of extrabudgetary funds for activities that should be funded under the regular

budget. Such concerns deserved the attention of the Fifth Committee.

113. The proposed programme budget should allocate enough resources for the Organization to function optimally, to become more responsive to emerging issues and to continue to be useful to Member States. For implementation of that mandate the Secretary-General had submitted a proposed programme budget at a level below the amount approved by the General Assembly in the budget outline on the basis of a political compromise. He wondered what rationale there could be for that, bearing in mind that CPC and the Advisory Committee had suggested that more resources should have been allocated for programme delivery, and whether it would not lead to a deterioration in the quality of services and delay in implementation of mandated programmes. He therefore sought clarification from the Secretariat that the proposed programme budget would enable the Organization to fully implement all the programmes and activities assigned to it.

114. Although the level of the proposed programme budget for the biennium was below that approved by the General Assembly in its resolution 53/206, his delegation continued to support the priorities established in that resolution; the proposed programme budget should fully reflect the actual resource requirements of mandated programmes and activities.

115. Although his delegation welcomed the efforts made by the Organization to improve its efficiency and reduce costs, he noted from the reports of CPC and ACABQ that successive budget reductions had begun to affect the implementation of programmes and the efficiency of United Nations activities. The proposed programme budget should be examined in the light of actual resource requirements for mandated programmes and activities. If the United Nations was to remain relevant to the demands of its Member States, it must be provided with adequate resources. His delegation thus supported a moderate expansion of the level of the proposed programme budget, in accordance with the outline approved in resolution 53/206.

116. **Mr. Grkov** (The former Yugoslav Republic of Macedonia) said that consideration of the proposed programme budget was particularly important in the light of the ongoing reform of the Organization. The proposed programme budget for the biennium 2000-2001 reflected the efforts made by the Secretary-General and the Secretariat to reduce the Organization's expenditures as much as possible while allowing appropriate implementation of its mandates and activities. He hoped that the proposed decrease would not affect the work of the United Nations. For successful implementation of the Organization's mandate it was necessary for all Member States, including the major contributors, to pay their assessed contributions.

117. His delegation welcomed the proposed increases in certain priority areas such as the delivery of humanitarian assistance, the protection of human rights, efforts to combat drug trafficking and organized crime, and development. Since over the past ten years his region had witnessed several conflicts and had welcomed hundreds of thousands of refugees, his delegation was aware of the importance of peacekeeping and humanitarian activities.

118. His delegation attached great importance to the provisions for special political missions. Preventive diplomacy and peacekeeping were very important tools for the maintenance of international peace and security. In that regard he underlined the very positive results achieved by the United Nations Preventive Deployment Force (UNPREDEP), which had made an important contribution to stability in the region and had paved the way for future United Nations preventive diplomacy missions around the world.

119. His delegation welcomed the proposed increase for development activities in support of sustainable development, poverty eradication, education and health, and also welcomed the agreement reached recently in the Fifth Committee regarding the modalities for the operation of the Development Account. He hoped that in the near future detailed proposals for projects to be funded from the Account would be submitted and that they would reflect current needs.

120. His delegation particularly supported the steps taken by the Secretary-General and the Secretariat to introduce results-based budgeting. That would give delegations a clearer view of the activities of the Organization and of its achievements. It would also simplify the process of formulating the budget and would justify the activities of the United Nations.

121. The increase in resources for training programmes and investments in technology were of particular importance to the effectiveness of the

Organization. His delegation emphasized the importance of gender mainstreaming and, in particular, of equitable geographical distribution in the Secretariat. His delegation had drawn attention on several occasions to the under-representation of the former Yugoslav Republic of Macedonia in the Secretariat, but the issue had not been given proper consideration. He urged the Secretariat to take the necessary measures.

122. Notwithstanding the ongoing financial crisis and the need for rigorous budget discipline, the United Nations retained its crucial role in the international community; that role must be strengthened so as to create better conditions for the development of all nations.

The meeting rose at 6.10 p.m.